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Trade Policy Monitoring

Overview of EU Bilateral and Regional Trade Agreements

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Report Highlights:

This report provides an overview of current and prospective EU bilateral and regional trade agreements. The report contains hypertext links to other sources of information.

Includes PSD Changes: No
Includes Trade Matrix: No
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Introduction

The 27 Member States of the European Union (EU) share a common trade policy. This means that the EU, its institutions and its Member States, act as a single jurisdiction on trade-related matters. International agreements concluded by the EU are binding on the EU Institutions and on the Member States. The legal basis for EU trade policy is [Article 133](#) of the European Community (EC) Treaty. On this basis, the European Commission is responsible for negotiating on behalf of the Member States in consultation with a special committee, the so-called "133 Committee". The 133 Committee is composed of representatives from the 27 Member States and the European Commission. Its main function is to discuss and coordinate on a full range of trade policy issues affecting the EU, from the strategic issues of trade negotiations, to more specific issues regarding trade in individual products. In the 133 Committee, the European Commission receives the endorsement of EU Member States. Decision-making under Article 133 functions on the basis of qualified majority voting (QMV). Major formal decisions (for example an agreement to launch or conclude negotiations) are confirmed by the Council of the European Union.

This report provides an overview of current and prospective EU bilateral and regional trade agreements. EU trade agreements can be classified into three general categories - (1) agreements with countries that are candidates or that can potentially become candidates for accession into the EU; (2) agreements with countries that are in the EU "geographic neighborhood," or that are part of long-standing historical and cultural ties with Europe; (3) agreements with other countries that are of strategic importance to EU commercial interests. Given the very wide scope of ongoing trade negotiations, this report contains hypertext links to other sources of information. The index below provides a reference guide to countries covered in this report.

INDEX – Click on country name to link to reference in the document

A	ACP Albania Algeria Andorra	Angola Antigua & Barbuda Argentina	Armenia ASEAN Azerbaijan
B	Bahamas Bahrain Bangladesh Barbados Belarus	Belize Benin Bolivia Bosnia & Herzegovina Botswana	Brazil Brunei Darussalam Burkina Faso Burma (Myanmar) Burundi
C	Cambodia Cameroon Cape Verde Central African Republic Chad	Chile Colombia Comoros Congo Congo, Democratic Republic of the	Cook Islands Costa Rica Côte d'Ivoire Croatia Cuba
D	Djibouti	Dominica	Dominican Republic
E	Ecuador East Timor EFTA Egypt	El Salvador Equatorial Guinea	Eritrea Ethiopia
F	Faroe Islands	Fiji	

G	Gabon Gambia Georgia Ghana Grenada	Guatemala Guinea	Guinea-Bissau Guyana
H	Haiti	Honduras	
I	Iceland India Indonesia	Iran Iraq	Israel
J	Jamaica	Jordan	
K	Kazakhstan Kenya	Kiribati Kosovo	Kuwait
L	Laos Lebanon	Lesotho Liberia	Liechtenstein
M	Macedonia Malawi Malaysia Mali Marshall Islands	Mauritania Mauritius Mexico Micronesia Monaco	Montenegro Morocco Mozambique Myanmar
N	Namibia Nauru	Nicaragua Niger	Niue Nigeria Norway
O	Oman		
P	Palau Palestinian State*	Panama Papua New Guinea Paraguay Peru	Philippines
Q	Qatar		
R	Russia	Rwanda	
S	St. Kitts & Nevis St. Lucia St. Vincent & The Grenadines Samoa San Marino São Tomé & Príncipe Saudi Arabia	Senegal Serbia Seychelles Sierra Leone Singapore Solomon Islands Somalia	South Africa South Korea Sudan Suriname Swaziland Switzerland Syria
T	Tanzania Thailand Togo Tonga	Trinidad & Tobago Tunisia	Turkey Tuvalu
U	Uganda Ukraine United Arab Emirates	Uruguay	
V	Vanuatu	Venezuela	Vietnam
Z	Zambia	Zimbabwe	

Candidate and Potential Candidate Countries for Accession into the EU

Albania

Albania participates in the [Stabilization and Association Process \(SAP\)](#), which is the EU's overall policy framework for Western Balkan countries. The SAP is based on a partnership, in which Albania receives regional and financial assistance under the [CARDS](#) program and the [new Instrument for Pre-Accession Assistance \(IPA\)](#), and a relationship with the EU, including trade preferences, through the [Stabilization and Association Agreement](#) (the SAA was signed on June 12, 2006). Albania has adopted a national action plan to implement the European Partnership recommendations. The European Commission continues to monitor and report progress in an [annual report](#).

Additional documentation:

http://ec.europa.eu/enlargement/albania/index_en.htm

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Bosnia and Herzegovina

As a part of the Stabilization and Association Process (SAP), Bosnia and Herzegovina is a potential candidate country for EU accession. Since 1998, the EU/Bosnia and Herzegovina Consultative Task Force has been the main vehicle for political dialogue and technical discussions. In January 2006, the Consultative Task Force was re-named "Reform Process Monitoring (RPM)" to mark the start of a new phase. This led to initialing a [Stabilization and Associations Agreement \(SAA\)](#) on December 4, 2007.

Additional documentation:

http://ec.europa.eu/enlargement/bosnia_and_herzegovina/index_en.htm

http://ec.europa.eu/enlargement/pdf/key_documents/2007/nov/bosnia_herzegovina_progress_reports_en.pdf

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Croatia

Croatia presented its application for EU membership on February 21, 2003. In April of the following year, the Commission published its [Opinion on Croatia's Application](#) deciding that accession negotiations would be opened on March 17, 2005 provided that there was full cooperation with the UN International Criminal Tribunal for the former Yugoslavia in The Hague (ICTY). In the absence of confirmation of full cooperation, the European Council decided on March 16, 2005 to postpone the opening of accession negotiations. However, as a positive signal to Croatia, the EU adopted a [negotiating framework](#) so that once the outstanding condition was met, negotiations could begin. In November 2007, the European Commission issued a [country progress report](#) and an updated proposal for [Accession Partnership](#).

Additional documentation:

http://ec.europa.eu/enlargement/croatia/index_en.htm

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FYROM – the former Yugoslav Republic of Macedonia

The former Yugoslav Republic of Macedonia has had contractual relations with the EU since 1996 when it signed an agreement for assistance from the [PHARE](#) program. In 1997, it signed a Cooperation Agreement, in force until 2004, as well as Textile Agreements which were in force from 1998 till 2003. Following the conclusion of the negotiations at the Zagreb Summit of November 2000, a [Stabilization and Association Agreement \(SAA\)](#) was signed in Luxembourg in April 2001 and entered into force in April 2004. FYROM submitted an application for EU membership on 22 March 2004, and in 2005 the Commission delivered its [Opinion](#). A [country progress report](#) was issued in November 2007 together with an updated proposal for [Accession Partnership](#).

Additional documentation:

http://ec.europa.eu/enlargement/the_former_yugoslav_republic_of_macedonia/index_en.htm

[Analysis of Commission opinion](#)

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Kosovo

As confirmed by the [Thessaloniki Summit](#) in June 2003, Kosovo is part of the framework of the Stabilization and Association Process, the EU policy which applies to the Western Balkans. On April 20, 2005 the European Commission adopted a Communication on '[A European Future for Kosovo](#)', which reinforces the Commission's commitment to Kosovo. Subsequently, on January 20 2006, the Council adopted [a European Partnership](#) for Serbia and Montenegro, which included Kosovo as defined by [UNSCR1244](#).

Additional documentation:

http://ec.europa.eu/enlargement/serbia/kosovo/index_en.htm

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Montenegro

After about nearly a year of negotiations with the Commission Montenegro signed a [Stabilization and Association Agreement \(SAA\)](#) on 15 October 2007. An Interim Agreement enters into force on 1 January 2008 allowing for the early implementation of trade and trade-related provisions of the SAA.

Additional documentation:

http://ec.europa.eu/enlargement/montenegro/index_en.htm

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Serbia

On the basis of decisions taken at the [Thessaloniki Summit](#) in June 2003, and confirmed on several occasions by the EU, Serbia is a potential candidate country for the EU accession. [A Stabilization and Association Agreement](#) between the EU and Serbia was initialed in Brussels on 7 November 2007.

Additional documentation:

http://ec.europa.eu/enlargement/serbia/index_en.htm

http://ec.europa.eu/enlargement/pdf/key_documents/2007/nov/serbia_progress_reports_en.pdf

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Turkey

Turkey first applied to join the European Economic Community (EEC) in July 1959. This led to the Ankara Association Agreement of 1963, which envisaged the progressive establishment of a customs union which would bring the two sides closer together in economic and trade matters. The Association Agreement established a Joint Parliamentary Committee - with representatives of the Turkish Grand National Assembly and the European Parliament – and an Association Council composed of EU and Member State representatives and Turkish authorities. The Ankara Association was supplemented by an Additional Protocol signed in November 1970, which sets out a timetable for the abolition of tariffs and quotas on goods circulating between Turkey and the EEC. There was a freeze in Turkish- EEC relations as a result of the military intervention in 1980. Following the multiparty elections of 1983, relations were re-established and Turkey applied for full membership in 1987. In 1990, the European Council confirmed Turkey's eligibility for membership, but deferred an in-depth analysis of its application. A Customs Union came into force on 31 December 1995, and in 1998 an Association Council decision established a trade regime for [agricultural products](#). In October 2005, accession negotiations with Turkey started with the analytical examination of the harmonizing legislation (the so-called screening process). Since then one negotiating chapter on Science and Research has been opened and was provisionally closed in June 2006. Negotiations have opened under three other chapters: Enterprise and Industry (March 2007) and Financial Control and Statistics (June 2007).

Additional documentation:

http://ec.europa.eu/enlargement/pdf/key_documents/2007/nov/turkey_progress_reports_en.pdf

http://ec.europa.eu/enlargement/pdf/key_documents/2007/nov/turkey_accession_partnership_en.pdf

http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0656en01.pdf

http://ec.europa.eu/enlargement/archives/pdf/key_documents/2004/issues_paper_en.pdf

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Other Customs Unions

Andorra

Contractual relations with Andorra are based on an Agreement between the European Economic Community and the Principality of Andorra in the form of an exchange of letters, which was signed on 28 June 1990 and entered into force on 1 July 1991.

The Agreement establishes a customs union applying to products falling within Chapters 25 to 97 of the Harmonized System (HS). The Agreement also includes provisions applicable to products falling within Chapters 1 to 24 of the HS (which are

not covered by the customs union). The Agreement was notified to WTO under Article XXIV of GATT 1994 in February 1998.

Andorra is treated as an EU member for trade in manufactured goods and as a Non-EU member for trade in agricultural products. In addition, a Cooperation Agreement, covering a wide range of issues: environment, communications, information, culture, transport, regional and cross-border cooperation, and social issues, and an Agreement on the Taxation of Savings were signed on 15 November 2004 and entered into force on 1 July 2005.

Additional documentation:

http://ec.europa.eu/external_relations/andorra/intro/index.htm

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Monaco

Through its special relation with France, Monaco participates directly in some Community policies. Monaco is an integral part of the Community customs territory (Article 3 (2) (b) Customs Code) and applies directly most measures related to Value Added Tax (VAT) and excise duties, in particular those related to the free movement of goods within the Community. The participation in the Community customs territory does not extend to the area of external trade. Preferential trade agreements concluded by the Community apply only to goods originating on the territory of the Community. Goods produced in Monaco may not claim Community origin and are generally not included in an extended application of the protocol of origin with the trade partners of the Community. Through France, Monaco is also integrated into the [Schengen](#) area. Monegasque resident documents and the harbor and helicopter-port of Monaco were added to the list of French titles and border-crossings (Decision of the Executive Committee of 23 June 1998, SCH/Com-ex (98)19). In December 2001, Monaco concluded with France, acting on behalf of the Community, a Monetary Agreement which entitles Monaco to use the euro as its official currency. The agreement obliges Monaco to apply relevant Community legislation and to take measures against counterfeiting of euro banknotes and coins. The Community concluded with Monaco an agreement regarding the application of Community legislation to pharmaceuticals, cosmetic products and medical devices. This agreement entered into force on 1 May 2004. It provides for the application of the relevant Community legislation in Monaco. However, the goods produced in Monaco are not assimilated to products of Community origin.

Additional documentation:

http://ec.europa.eu/external_relations/monaco/intro/index.htm

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San Marino

The establishment of official relations between the Republic of San Marino and the European Community dates back to February 1983. In 1991 a Co-operation and Customs Union Agreement between the Community and San Marino was negotiated. After the introduction of the euro, an agreement on monetary relations between the

European Community and San Marino was signed whereby San Marino, inter alia is entitled to use the euro as its official currency.

Additional documentation:

http://ec.europa.eu/external_relations/sanmarino/intro/index.htm

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Free Trade Agreements

ACP Countries

ACP or "Africa, Caribbean, and Pacific" countries consist of 79 Member-States. All of them, except Cuba, South Africa and East Timor, are signatories to the [Cotonou Agreement](#) which establishes the relationship with European Union. Given the historical ties between EU Member States and the ACP Group, the trading relationship predates Cotonou and the earlier Lomé Conventions. The four [Lomé Conventions](#), beginning in 1975, established a system of tariff preferences to give ACP countries access to the European market, and special funds to maintain price stability. This arrangement also served to guarantee regular supplies of raw materials for the EU market.

ACP access to the EU has been generally described as "preferential" because non-ACP states, both developed and developing, do not enjoy the same degree of access. In this sense it is discriminatory. After signing the Lomé IV Convention in 1989, as multilateral negotiations were taking place, the EU and ACP countries agreed that there should be no trade discrimination. The obligation to uphold the WTO principle of non-discrimination forced EU and ACP countries to seek a [special exemption waiver](#) from the WTO. This waiver expired on December 31, 2007.

On September 27, 2002, in anticipation of the expired waiver, the EU launched negotiations leading to [Economic Partnership Agreements \(EPAs\)](#) to be conducted in two phases. The first phase addresses broader ACP-EU issues: development, agriculture and fisheries, services, market access and other trade-related matters. The second phase, conducted at ACP national and [regional level](#), highlights more specific commitments. [Progress](#) in the negotiations has been slower than expected. In October 2007, when it became apparent that most EPAs would not be concluded by the target date of December 31, 2007, the Commission issued a [Communication](#) to outline a pragmatic approach to avoid potential trade disruptions.

On December 20, 2007, the Council of the EU adopted a [regulation](#) to grant duty and quota free access to the EU market to ACP countries starting January 1, 2008, with special transition periods for sugar and rice. The regulation applies to ACP countries that have concluded negotiations on either a full EPA or an interim agreement (countries are listed in Annex I of the regulation). The regulation provides for the possibility of amending Annex I as other negotiations are concluded.

As of December 31, 2007, the Caribbean ([CARIFORUM](#) - the 15 countries of the Caribbean) is the only region to have initialed a full EPA with the EU. For trade in goods, CARIFORUM countries are committed to liberalize 86.9 percent of imports from the EU over a period of 25 years. 82.7 percent will be liberalized over a period of 15 years and 61.1 percent of imports will be liberalized after 10 years. Most African non-LDCs have concluded or are likely to conclude an interim agreement. Countries that

have neither initialed an agreement nor have access to the [Everything-But-Arms regime](#) are expected to export to the EU under the [Generalized System of Preference regime](#). As of 20 December 2007, these countries are Nigeria, Republic of the Congo, Gabon, as well as the Pacific countries Cook Islands, Federated States of Micronesia, Nauru, Niue, Palau, Marshall Islands and Tonga (see [link](#) for the DG Trade update).

Additional documentation:

<http://www.acpsec.org/index.htm>

http://ec.europa.eu/trade/issues/bilateral/regions/acp/index_en.htm

http://ec.europa.eu/development/index_en.cfm

<http://www.crnw.org/>

<http://www.acp-eu-trade.org/>

http://trade.ec.europa.eu/doclib/docs/2008/january/tradoc_137484.pdf

http://trade.ec.europa.eu/doclib/docs/2008/january/tradoc_137483.pdf

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South Africa

Although part of the ACP Group, South Africa's trade relations and development co-operation with the EU are governed by the [Trade, Development and Co-operation Agreement \(TDCA\)](#), which was signed in Pretoria on October 11, 1999. The TDCA entered into force on May 1, 2004 with the objective of creating a free-trade area over a transitional period of 12 years. The TDCA includes provisions for political dialogue, financial assistance and cooperation on development, economic, trade, social and cultural. From the outset, both sides agreed that several provisions of the Agreement would need to be updated, especially in the area of trade liberalization. South Africa has tied the review of the TDCA to the ongoing EPA negotiations. A [Wine](#) and [Spirits](#) Agreement was signed on January 28, 2002. Negotiations on the Fisheries Agreement have been suspended by mutual agreement.

Additional documentation:

http://ec.europa.eu/trade/issues/bilateral/countries/southafrica/index_en.htm

<http://ec.europa.eu/development/Geographical/RegionsCountries/Countries/South%20Africa.htm>

<http://www.eusa.org.za/en/index.htm>

http://www.eusa.org.za/en/PDFdownload/Country%20Strategy%20Papers/CS_P_2007-2013.pdf

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Andean Community

EU cooperation with the Andean Community is within the context of the [Framework Co-operation Agreement](#) signed in 1993. The EU-Andean trade relationship falls within the framework of the [General System of Preferences \(GSP\)](#). In addition to the general arrangements of the GSP, Andean countries also benefit from the "drug regime," a special arrangement for countries engaged in combating drug production and trafficking. The drug regime provides duty free market access for all industrial

products included in the general GSP arrangements, including those classified as sensitive. It also provides duty free access for some agricultural products.

Additional documentation:

http://ec.europa.eu/trade/issues/bilateral/regions/andean/index_en.htm

http://ec.europa.eu/external_relations/andean/intro/index.htm

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ASEAN

EU relations with the [Association of South East Asian Nations \(ASEAN\)](#) are founded on the 1980 Cooperation Agreement, which establishes the EU-ASEAN Joint Co-operation Committee (JCC) in 1980. Since 2000, trade and investment issues are discussed at Ministerial (EC-ASEAN Economic Ministers) and other meetings between the European Commission and ASEAN. One of the main objectives of these discussions has been to address the challenges of non-tariff barriers and regulatory co-operation. The current framework for these discussions is the [Trans-Regional EU-ASEAN Trade Initiative \(TREATI\)](#), which is designed to lay the foundation for an FTA. On April 23, 2007 the Council authorized the Commission to start negotiating an FTA with ASEAN. EU and ASEAN Economic Ministers met in Brunei Darussalam on May 4, 2007 to launch the FTA negotiations. Four negotiating rounds are planned in 2008.

Additional documentation:

http://ec.europa.eu/external_relations/asean/intro/index.htm

http://ec.europa.eu/trade/issues/bilateral/regions/asean/index_en.htm

http://trade.ec.europa.eu/doclib/docs/2007/may/tradoc_134706.pdf

<http://www.aseaninfoboard.org/About/>

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Chile

After completing two Framework Co-operation Agreements, in 1990 and 1996, the EU and Chile negotiated an [Association Agreement](#) which came into force on February 1, 2003. The EU-Chile FTA covers trade in goods, services and government procurement, liberalization of investment and capital flows, the protection of intellectual property rights, co-operation for competition and a binding dispute settlement mechanism. The Agreement includes provisions to facilitate trade in wines and spirits, and addresses sanitary and phytosanitary measures.

Additional documentation:

http://ec.europa.eu/external_relations/chile/intro/index.htm

http://ec.europa.eu/trade/issues/bilateral/countries/chile/index_en.htm

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Denmark (Faroe Islands)

Although Denmark has been a member of the European Community since 1973, the membership does not include the Faroe Islands. In 1974, the Faroese Parliament voted unanimously against applying for membership. Instead of membership, the Faroe Islands signed a [trade agreement](#) with the EU in 1992. In principle, this agreement is similar to the one between the EU and the EFTA countries. On 28 November 2003, the Faroe Islands and the EU entered into an [agreement](#) on Faroese membership in the [Pan-European System of Cumulation of Origin](#), which entered into force on December 1, 2005. For the main Faroese export article, fish products, there are several restrictions on the quantities, which may enter the EU duty-free. In international fisheries organizations embracing the North Atlantic, where the EU represents metropolitan Denmark, the Kingdom of Denmark maintains a separate membership in respect of Faroe Islands.

Additional documentation:

<http://www.hfs.fo/>

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European Free Trade Association (EFTA)

EFTA is a European trade bloc which was established on May 3, 1960 by seven European states who were either were unable to, or chose not to, join the then-European Economic Community. Today only Iceland, Norway, Switzerland, and Liechtenstein remain members of EFTA. Three of the EFTA countries are part of the European Union Internal Market through the Agreement on a European Economic Area (EEA), which took effect on January 1, 1994; the fourth, Switzerland, opted to conclude its own bilateral agreement with the EU.

Additional documentation:

<http://secretariat.efta.int/>

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European Economic Area

The EEA Agreement is concerned principally with the four fundamental pillars of the Internal Market, "the four freedoms", i.e. freedom of movement of goods (excluding agriculture and fisheries, which are included in the Agreement only to a very limited extent), persons, services and capital. Horizontal provisions relevant to these four freedoms in the areas of social policy, consumer protection, environment, company law and statistics complete the extended internal market.

Additional documentation:

http://secretariat.efta.int/Web/EuropeanEconomicArea/EEAAgreement/EEAAgreement/EEA_Agreement.pdf

Switzerland

In 1992, a Swiss public referendum rejected the Agreement on the European Economic Area. Since then, Switzerland has worked to obtain similar access

to the EU internal market through the negotiation of bilateral sector agreements, while at the same time retaining independence in areas such as bank secrecy, judicial cooperation, export controls, tax and competition law. Seven bilateral agreements (on free movement of people, public procurement, land and air transport, [agriculture](#), research, and mutual recognition of conformity assessment) were concluded in 1999 and entered into force on 1 June 2002. A further set of agreements, including [processed agricultural products](#), were concluded in 2004 and entered into force on Together with the [EC-Switzerland Agreement of 1972](#), which established free trade in goods and competition rules, they form the basis for EU-Swiss bilateral relations.

Additional documentation:

http://ec.europa.eu/external_relations/switzerland/intro/index.htm

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Euro-Mediterranean Partnership Agreements

Trade relations between the EU and the neighboring countries of the Mediterranean (Morocco, Algeria, Tunisia, Egypt, Jordan, the Palestinian Authority, Israel, Lebanon and Syria) are governed by the Euro-Mediterranean Partnership, or '[Barcelona Process](#)', which was launched in November 1995. In trade terms, the key goal of the [Barcelona Process](#) is to establish a Euro-Mediterranean Free Trade Area by 2010. The results, in terms of full agricultural trade liberalization, are still far from being achieved. In 2005, on the 10th anniversary of the Barcelona Process, both parties agreed – as part of the [Luxemburg Roadmap](#) - to embark on a more ambitious process of further trade liberalization covering agriculture, fishery and processed agricultural products. The purely trade liberalization process is now combined with "accompanying" measures within the framework of the [European Neighborhood Policy](#). These measures primarily concern rural development and the promotion and enhancement of Mediterranean products.

Additional documentation:

http://ec.europa.eu/trade/issues/bilateral/regions/euromed/index_en.htm

http://ec.europa.eu/external_relations/euromed/med_ass_agreements.htm

http://ec.europa.eu/world/enp/documents_en.htm

Algeria

The [EU-Algeria Association Agreement](#) was signed in 2002 and entered into force on September 1, 2005. It replaces the 1976 Cooperation Agreements. The Agreement establishes a Free Trade Area over a transitional period lasting a maximum of 12 years.

Additional documentation:

http://ec.europa.eu/external_relations/algeria/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/algeria/index_en.htm

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Egypt

The [EU-Egypt Association Agreement](#) was signed in 2001 and entered into force on June 1, 2004. It replaces the 1977 Cooperation Agreement. Under the Agreement's tariff dismantling provisions (which started on January 1, 2004), half of the EU industrial exports to Egypt has already been liberalized).

Additional documentation:

http://ec.europa.eu/external_relations/egypt/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/egypt/index_en.htm

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Israel

In 1995, the EU and Israel signed the [Euro-Mediterranean Association Agreement](#), which entered into force on June 1, 2000. It replaced the former 1975 EC-Israel Cooperation Agreement. The Agreement provides for reciprocal tariff-free exports in industrial goods, and reciprocal tariff concessions in agricultural goods. Negotiations aimed at deepening further the liberalization of trade in agriculture and fisheries were launched in June 2006 within the framework of the [Rabat roadmap](#) for agriculture. The Association Agreement also includes provisions on cooperation in customs and trade facilitation. Work is under way on the approximation of legislation in selected Israeli export sectors. With respect to products originating in the Israeli settlements in the West-Bank, Gaza Strip, East Jerusalem and the Golan Heights, the Commission has [notified](#) that these products are not entitled to benefit from preferential tariff treatment under the EU-Israel Association Agreement. As of February 1, 2005, products made in Israel must clearly state the name of the city, village or industrial zone where production has taken place.

Additional documentation:

http://ec.europa.eu/external_relations/israel/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/israel/index_en.htm

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Jordan

The [Euro-Mediterranean Association Agreement](#) with Jordan was signed on November 24, 1997, and entered into force on May 1, 2002. It replaced the 1977 Co-operation Agreement. The agreement establishes a free trade area between the EU and Jordan over phased 12- year period. Industrial products originating in Jordan are imported duty-free into the EU. Jordan abolished customs duties on a large number of EU products, and is gradually liberalizing on sensitive products. Negotiations on further trade liberalization in agriculture, including processed agricultural and fisheries products, were completed in 2005 and entered into force in January 2006. The agreement completely opens the EU market for all Jordanian agricultural products with some exceptions (fresh cut flowers, new potatoes, garlic, cucumbers, citrus fruit, strawberries and virgin olive oil). EU tariff quotas are scheduled to be mostly removed by 2010. Jordan will gradually liberalize its starting in 2007 through 2013.

Additional documentation:

http://ec.europa.eu/external_relations/jordan/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/jordan/index_en.htm

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Lebanon

The [EU-Lebanon Association Agreement](#) was adopted in 2002, and its trade and trade-related provisions entered in force on an interim basis in March 2003. The Agreement was fully ratified in April 2006. Since March 1, 2003, Lebanese industrial and most agricultural products (within the limits of tariff quotas) enjoy free access to the EU market. A progressive elimination of tariffs on imports into Lebanon will take place between 2008 and 2014. Negotiations on further liberalization of agricultural, processed foods and fishery products will start in due course in the context of the Euromed [Rabat roadmap](#).

Additional documentation:

http://ec.europa.eu/external_relations/lebanon/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/lebanon/index_en.htm

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Morocco

The [EU-Morocco Association Agreement](#) was signed in Brussels on February 26, 1996, and entered into force on March 1, 2000. It replaced the 1976 Cooperation Agreement. The Association grants duty free access to all industrial products on the EU market. Negotiations to deepen liberalization of trade in agriculture, including processed foods and fisheries products, started early 2006, and are still ongoing.

Additional documentation:

http://ec.europa.eu/external_relations/morocco/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/morocco/index_en.htm

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Palestinian Authority

The [Association Agreement with the Palestinian Authority](#) was signed in February 1997, and its trade provisions came into force on an interim basis on July 1, 1997. The agreement provides for duty-free access to EU markets for Palestinian industrial goods, and a phase-out of tariffs on EU exports to Palestine over five years. The Agreement also foresees a gradual liberalization in agricultural and fisheries trade. Based on to the revision clause contained in the Association Agreement, the agricultural protocol has been adapted to further improve Palestinian preferential access to the EU market. Further bilateral discussions are envisaged within the framework of the [Rabat roadmap](#).

Additional documentation:

http://ec.europa.eu/external_relations/occupied_palestinian_territory/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/palestine/index_en.htm

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Syria

The [Cooperation Agreement](#) in force between Syria and the EU dates from 1978. Negotiations on the new-generation Euro-Mediterranean Association Agreement were concluded, and an agreement was initialed in October 2004. However, it has not yet been ratified. Once it enters into force the EU-Syria Association Agreement will complement the current provisions for duty-free access to the EU market for manufactured goods. Syria will gradually open up its market gradually over a period of 12 years. Further discussion regarding liberalization of agriculture and services is planned for a subsequent phase.

Additional documentation:

http://ec.europa.eu/external_relations/syria/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/syria/index_en.htm

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Tunisia

Tunisia was the first Mediterranean country to sign an [Association Agreement](#) with the EU. The Agreement was signed in July 1995, and entered into force on March 1, 1998. The Agreement provides for tariff-free exports in industrial goods to the EU. It also aims to improve the conditions for carrying out this trade by exploring new areas of cooperation in investment, trade facilitation and the approximation of legislation. Trade liberalization for agriculture, including processed foods and fishery products remains to be negotiated.

Additional documentation:

http://ec.europa.eu/external_relations/tunisia/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/tunisia/index_en.htm

Azerbaijan

The [European Neighborhood Policy](#) (ENP) [Action Plan for Azerbaijan](#) was formally adopted and immediately implemented in mid-November 2006. In the area of trade and economic cooperation, the Action Plan aims to 1) encourage market economy reforms, and (2) approximate Azerbaijan's legislation and practices to the EU.

Additional documentation:

http://ec.europa.eu/external_relations/azerbaijan/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/regions/caucasus/index_en.htm

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Armenia

The [European Neighborhood Policy](#) (ENP) [Action Plan for Armenia](#) was formally adopted and immediately implemented in mid-November 2006. In the area of trade and economic cooperation, the Action Plan aims to 1) encourage market economy reforms, and (2) approximate Armenia's legislation and practices to the EU.

Additional documentation:

http://ec.europa.eu/external_relations/armenia/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/regions/caucasus/index_en.htm

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Bangladesh

EU relations with Bangladesh date back to 1973. The first formal agreement was the EC-Bangladesh "Commercial Cooperation Agreement," signed in 1976. This relationship was broadened to include trade and economic development under the [Cooperation Agreement](#) of 2001.

Additional documentation:

http://ec.europa.eu/external_relations/bangladesh/intro/index.htm

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Belarus

On 21 November 2006, the European Commissioner for External Relations, Benita Ferrero-Waldner unveiled a [document](#), which sets out goals for EU-Belarus relations within the context of the [European Neighborhood Policy](#). However, due to the current political conditions, the ENP has not yet been extended to Belarus.

Additional documentation:

http://ec.europa.eu/external_relations/belarus/index_en.htm

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Central America

EU trade relations with Central America are within the framework of the EU's [General System of Preferences \(GSP\)](#). In addition, Central American countries also benefit from special arrangements to combat drug production and trafficking (under the so-called 'drug regime'). The drug regime provides duty free market access for all industrial products included in the general arrangements. It also provides duty free access for some agricultural products. Central American countries are also eligible for the new "[GSP+](#)" which is designed to encourage sustainable development. On December 15, 2003, the EU and the six Central American countries signed a new [Political Dialogue and Co-operation Agreement](#). The Agreement replaces the 1993 Framework Cooperation agreement, and sets the objective of achieving a Free trade Agreement.

Additional documentation:

http://ec.europa.eu/external_relations/ca/index.htm

http://ec.europa.eu/trade/issues/bilateral/regions/central_america/index_en.htm

<http://www.aacue.go.cr/>

Georgia

The [European Neighborhood Policy](#) (ENP) [Action Plan for Georgia](#) was formally adopted and immediately implemented in mid-November 2006. In the area of trade and economic cooperation, the Action Plan aims to 1) encourage market economy reforms, and (2) approximate Georgia's legislation and practices to the EU.

Additional documentation:

http://ec.europa.eu/external_relations/georgia/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/regions/caucasus/index_en.htm

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Gulf Cooperation Council (GCC)

In 1989, the EU signed a [Cooperation Agreement](#) with the six countries of the [GCC](#). Under the Agreement, EU and GCC Foreign ministers meet once a year in a Joint Council/Ministerial Meeting, with the objective of facilitating trade relations. The Joint Council has established working groups to promote dialogue on industrial cooperation, energy, environment and education. Both sides have committed to enter into negotiations on a Free Trade Agreement (FTA). Negotiations began in 1990, but stalled after GCC decided to move towards a Customs Union. Discussions resumed in March 2002.

Additional documentation:

http://ec.europa.eu/external_relations/gulf_cooperation/intro/index.htm

http://ec.europa.eu/trade/issues/bilateral/regions/gcc/index_en.htm

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India

The EU and India have signed a number of bilateral agreements. These include:

[Agreement on Sugar Cane](#) (in force since July 18, 1975)

[1994 Co-operation Agreement](#) (signed on December 20, 1993)

[Science and Technology Agreement](#) (signed on November 23, 2001)

[Customs Co-operation Agreement](#) (signed on April 28, 2004)

On September 7, 2005, the EU and India adopted a [Joint Action Plan](#), agreeing to find ways to increase bilateral trade and economic cooperation, tackling barriers to trade and investment. A High Level Trade Group was established to make recommendations towards

negotiating a Free Trade Agreement. On June 28-29, 2007, formal FTA negotiations began. An EU-India Maritime Agreement is also being negotiated.

Additional documentation:

http://ec.europa.eu/external_relations/india/intro/index.htm

http://ec.europa.eu/trade/issues/bilateral/countries/india/index_en.htm

http://trade.ec.europa.eu/doclib/docs/2007/june/tradoc_135112.pdf

http://trade.ec.europa.eu/doclib/docs/2007/june/tradoc_135101.pdf

http://trade.ec.europa.eu/doclib/docs/2007/may/tradoc_134682.pdf

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Iran

The EU does have contractual relations with Iran. In June 2002, the Council of the European Union agreed to open negotiations with Iran; these discussions however have been suspended.

Additional documentation:

http://ec.europa.eu/external_relations/iran/intro/index.htm

http://ec.europa.eu/trade/issues/bilateral/countries/iran/index_en.htm

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Iraq

In March 2006, the Council of the European Union agreed to open negotiations with Iraq, covering political aspects as well as a trade and co-operation agreement. The negotiations were launched in Brussels in November 2006. Subsequent negotiations took place in June and November 2007.

Additional documentation:

http://ec.europa.eu/external_relations/iraq/intro/index.htm

http://ec.europa.eu/trade/issues/bilateral/countries/iraq/index_en.htm

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Kazakhstan

In 1995, the EU and Kazakhstan signed a [Partnership and Cooperation Agreement](#). The Agreement, in force since July 1999, establishes political dialogue, and a roadmap for trade liberalization. Economic relations will likely accelerate after Kazakhstan becomes a [full member of the WTO](#).

Additional documentation:

http://ec.europa.eu/external_relations/kazakhstan/intro/index.htm

http://ec.europa.eu/external_relations/kazakhstan/intro/index.htm

MERCOSUR

In 1992, the EU signed an Inter-institutional Agreement with [Mercosur](#) to provide technical and institutional support. Since April 2000, the EU and Mercosur have been negotiating an inter-regional Association Agreement. These negotiations encompass Argentina, Brazil, Paraguay and Uruguay. Venezuela, accepted as a full member in 2006, is still in the process of integration with Mercosur. From April 2000 to May 2004, there were [13 rounds of discussions](#), focusing primarily on trade and economic issues. Since then, a series of annual ministerial meetings have not yet managed to advance the effort toward an FTA. Agriculture, as demonstrated in a [recent report](#) prepared for the European Commission, remains a very difficult component of the negotiations.

Additional documentation:

http://ec.europa.eu/trade/issues/bilateral/regions/mercosur/index_en.htm

http://ec.europa.eu/external_relations/mercosur/rsp/07_13_en.pdf

http://www.sice.oas.org/TPD/MER_EU/Studies/Regionalpaper_e.pdf

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Mexico

Bilateral relations between the EU and Mexico are governed by the [Economic Partnership, Political Co-operation and Co-operation Agreement](#) signed in Brussels on December 8, 1997. The Agreement entered into force on October 1, 2000. The Agreement involves substantially all trade to be liberalized at the end of the transition periods. For industrial goods, 100 percent is liberalized starting January 1, 2003 for the EU, and January 1, 2007 for Mexico. Agricultural products are to be liberalized, 80 percent of EU imports and 42 percent of Mexican imports by 2010. Trade liberalization for fish products will cover 100 percent of EU imports and 89 percent of Mexico's imports. The Agreement also contains tariff quotas for certain agricultural products that are not subject to full liberalization, with special provisions also covering co-operation in the field of customs, standards, technical regulations, Sanitary and Phytosanitary (SPS) measures, and for the opening of public procurement markets.

Additional documentation:

http://ec.europa.eu/trade/issues/bilateral/countries/mexico/index_en.htm

http://ec.europa.eu/external_relations/mexico/intro/index.htm

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Russia

The [Partnership and Co-operation Agreement \(PCA\)](#) provides the framework for the EU-Russia relationship. It was signed in 1994, and entered into force on December 1, 1997. The Agreement regulates political, economic and cultural relations between the EU and Russia, and serves as a legal basis for the EU's bilateral trade with Russia. One of the main objectives of the Agreement is trade and investment, encouraging economic relations between the EU and Russia. The current PCA expired on December 31, 2006. However, it remains in force until a new agreement is negotiated to replace it. The EU and the Russian Federation have discussed beginning negotiations on a new agreement. A comprehensive framework was submitted to the EU Council on November 26, 2006, but an EU negotiating

mandate has not yet been approved. Certain Russian goods can enter the EU market under the EU's General System of Preferences (GSP).

Additional documentation:

http://ec.europa.eu/trade/issues/bilateral/countries/russia/index_en.htm

http://ec.europa.eu/external_relations/russia/intro/index.htm

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South Korea

In 1995, the EU and South Korea negotiated a [Framework Agreement on Trade & Co-operation](#). This served to also establish agreements on [customs cooperation](#) and [telecommunications procurement](#). On April 23, 2007, the European Council authorized the Commission to start negotiating an FTA with South Korea. Two weeks later, EU Trade Commissioner Peter Mandelson and Korean Trade Minister Kim Hyun Chong launched formal negotiations in Seoul. The EU has identified South Korea as a priority FTA partner, and negotiations are ongoing. The EU has commissioned [several impact assessments](#) to support the negotiation process.

Additional documentation:

http://ec.europa.eu/trade/issues/bilateral/countries/korea/index_en.htm

http://ec.europa.eu/external_relations/south_korea/intro/index.htm

http://trade.ec.europa.eu/doclib/docs/2007/december/tradoc_137279.pdf

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Ukraine

EU relations with the Ukraine are largely based on a [Partnership and Co-operation Agreement \(PCA\)](#), which entered into force in 1998. The agreement regulates political, economic and cultural relations, providing the legal basis for bilateral trade with Ukraine. In addition, the EU and the Ukraine have agreements governing trade in steel and [textile](#) products. In March 2007, as the PCA neared its 10-year expiration, the EU and Ukraine launched bilateral negotiations for a new Enhanced Agreement, with the aim of reaching a comprehensive FTA. Under the [European Neighborhood Policy](#), the EU has developed an [Action Plan](#) and a [Trade Sustainability Impact Assessment study](#), which set the path toward an FTA once the Ukraine's [membership in the WTO](#) is finalized.

Additional documentation:

http://ec.europa.eu/external_relations/ukraine/index_en.htm

http://ec.europa.eu/trade/issues/bilateral/countries/ukraine/index_en.htm

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